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27-Jan-95WAIS, Inc.  
FY1995 Income Statement Forecast

	Actual						Jan-95	Feb-95	Mar-95	Apr-95	May-95	Jun-95	Total
	Jul-94	Aug-94	Sep-94	Oct-94	Nov-94	Dec-94							
<b>REVENUE</b>													
Products	\$137,000	\$163,750	\$334,883	\$57,400	\$184,445	\$152,500	\$75,000	\$150,000	\$200,000	\$225,000	\$250,000	\$250,000	\$2,179,978
Government Contract	2,062	1,237	139,186	15,047		\$81,354	\$15,000	\$23,000	\$25,000	\$25,000	\$25,000	\$25,000	376,886
Production Services	50,000	20,000	68,000	8,000	70,400	53,850	50,000	150,000	175,000	200,000	200,000	200,000	1,245,250
International			100,000										100,000
Ensemble									15,000	15,000	30,000	30,000	90,000
<b>Total Revenue</b>	189,062	184,987	642,069	80,447	254,845	287,704	140,000	323,000	415,000	465,000	505,000	505,000	3,992,114
<b>COST OF GOODS SOLD</b>			1,016,118			622,996			878,000			1,475,000	3,992,114
					41,850		15,000	15,000	15,000	15,000	15,000	15,000	131,850
<b>GROSS MARGIN</b>	189,062	184,987	642,069	80,447	212,995	287,704	125,000	308,000	400,000	450,000	490,000	490,000	3,860,264
	100%	100%	100%	100%	84%	100%	89%	95%	96%	97%	97%	97%	97%
Marketing & Sales	5,011	7,679	19,825	31,183	50,370	69,242	66,019	88,569	75,969	90,449	109,949	84,949	699,214
Washington Office	5,164	4,695	7,316	8,118	5,624	13,032	15,063	15,063	15,063	15,063	22,250	22,250	148,700
Production Services	6,370	7,589	23,656	34,346	63,963	52,374	23,986	44,146	40,341	43,218	43,218	56,098	439,304
Operations							14,000	11,400	11,400	14,667	14,667	14,667	80,800
Development	15,272	15,404	28,248	40,973	35,984	58,236	51,882	82,403	93,411	98,908	97,602	97,602	715,925
G&A	15,431	37,128	22,020	36,887	37,490	43,088	51,654	57,654	67,401	107,701	67,246	68,234	611,935
<b>Total Expenses</b>	47,248	72,495	101,065	151,506	193,430	235,971	222,604	299,235	303,584	370,006	354,933	343,801	2,695,879
<b>Net Operating Income(Loss)</b>	141,814	112,492	541,004	(71,059)	19,565	51,733	(97,604)	8,765	96,416	79,994	135,067	146,199	1,164,385
													29%
<b>Interest Income ( Expense)</b>	342	354	381	688	(605)	379		(656)	(629)	(1,768)	(1,717)	(1,665)	(4,896)
<b>Pretax Income(Loss)</b>	142,156	112,846	541,385	(70,371)	18,960	52,112	(97,604)	8,109	95,787	78,226	133,351	144,534	1,159,490
other	282												282
<b>Income Taxes</b>	62,549	49,652	238,209	(20,963)	8,342	22,929	(42,946)	3,568	42,146	34,420	58,674	63,595	520,175
<b>NET INCOME(LOSS)</b>	\$79,325	\$63,193	\$303,176	(\$49,408)	\$10,617	\$29,183	(\$54,658)	\$4,541	\$53,641	\$43,807	\$74,676	\$80,939	\$639,032

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## FY1995 Balance Sheet Forecast

AR Days	Actual												
	Jun-94	31 Jul-94	37 Aug-94	24 Sep-94	121 Oct-94	36 Nov-94	46 Dec-94	70 Jan-95	45 Feb-95	45 Mar-95	45 Apr-95	45 May-95	45 Jun-95
Current Assets													
Cash	\$134,341	\$191,193	\$201,451	\$320,458	\$424,339	\$437,682	\$357,328	\$245,618	\$188,413	\$86,341	\$84,678	\$177,274	\$304,898
Accounts Receivable	\$101,023	196,910	225,500	514,026	323,954	307,525	439,172	326,667	484,500	622,500	697,500	757,500	757,500
Deposits & Prepaids	5,875	2,395	2,395	41,058	29,389	35,427	26,080	26,080	26,080	26,080	26,080	26,080	26,080
Total Current Assets	241,239	390,498	429,346	875,542	777,682	780,634	822,580	598,364	698,993	734,921	808,258	960,854	1,088,478
Fixed Assets													
Furniture	4,741	4,741	4,741	9,064	9,064	28,339	32,867	32,867	38,867	38,867	88,867	88,867	88,867
Equipment & Software	81,776	87,403	95,621	95,621	115,836	150,122	153,537	175,867	196,062	222,757	225,757	235,757	235,757
Production Services	3,301	3,301	3,301	7,670	7,670	11,794	11,794	34,294	44,859	51,859	155,459	155,459	155,459
Accumulated Depreciation	(30,053)	(32,651)	(35,479)	(38,499)	(42,081)	(46,241)	(51,236)	(58,922)	(67,462)	(77,038)	(89,575)	(103,223)	(116,871)
Net Fixed Assets	\$59,765	\$62,794	\$68,184	\$73,856	\$90,489	\$144,014	\$146,962	\$184,106	\$212,326	\$236,445	\$380,508	\$376,860	\$363,212
Other Assets	3,815	3,735	3,656	3,577	3,497	3,418	3,338	3,815	3,815	3,815	3,815	3,815	3,815
Total Assets	\$304,819	\$457,027	\$501,186	\$952,975	\$871,668	\$928,066	\$972,880	\$786,286	\$915,135	\$975,181	\$1,192,581	\$1,341,529	\$1,455,505
\$94													
Current Liabilities													
Accounts Payable	114,206	\$124,559	\$54,953	\$50,121	\$50,235	\$135,977	\$132,479	\$43,489	\$89,229	\$56,614	\$65,579	\$87,079	\$62,424
Accounts Receivable Line													
Note Payable - B Kahle	48,711	48,711	48,711	48,711	48,711								
Deferred Revenue	79,235	79,235	79,235										
Accrued Income Taxes	6,100	68,648	118,580	345,141	312,569	322,518	341,647	298,701	302,269	344,415	378,835	437,509	501,104
A/R Line of Credit													
Current Portion of Leases									37,500	37,500	70,833	70,833	70,833
Total Current Liabilities	248,252	321,153	301,479	443,973	411,515	458,495	474,126	342,190	428,998	438,529	515,247	595,421	634,361
Equipment Leases									37,500	34,375	131,250	125,347	119,444
Shareholders' Equity:													
Paid in Capital	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Current Year Income (Loss)	31,187	79,325	143,158	446,334	397,485	406,903	436,086	381,427	385,968	439,609	483,416	558,092	639,031
Retained Earnings (Deficit)	380	31,549	31,549	37,668	37,668	37,668	37,668	37,668	37,668	37,668	37,668	37,668	37,668
Total Equity	56,567	135,874	199,707	509,002	460,153	469,571	498,754	444,095	448,636	502,277	546,084	620,760	701,699
Total Liabilities & Equity	\$304,819	\$457,027	\$501,186	\$952,975	\$871,668	\$928,066	\$972,880	\$786,286	\$915,135	\$975,181	\$1,192,581	\$1,341,529	\$1,455,505
Quick Ratio (Cash + AR/Curr Liab)	0.95	1.21	1.42	1.88	1.82	1.63	1.68	1.67	1.57	1.62	1.52	1.57	1.67
Tangible Net Worth	56,567	135,874	199,707	509,002	460,153	469,571	498,754	444,095	448,636	502,277	546,084	620,760	701,699
Debt/Tangible Net Worth	4.4	2.4	1.5	0.9	0.9	1.0	1.0	0.8	1.0	0.9	1.2	1.2	1.1

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FY1996 Income Statement Forecast

	Jul-95	Aug-95	Sep-95	Oct-95	Nov-95	Dec-95	Jan-96	Feb-96	Mar-96	Apr-96	May-96	Jun-96	Total
<b>REVENUE</b>													
Products	\$200,000	\$230,000	\$264,500	\$304,175	\$349,801	\$402,271	\$462,612	\$532,004	\$611,805	\$703,575	\$809,112	\$930,478	\$5,800,333
Government Contract	25,000	27,500	30,250	33,275	36,603	40,263	44,289	48,718	53,590	58,949	64,844	71,328	534,607
Production Services	200,000	220,000	242,000	266,200	292,820	322,102	354,312	389,743	428,718	471,590	518,748	570,623	4,276,857
International	25,000	26,250	27,563	28,941	30,388	31,907	33,502	35,178	36,936	38,783	40,722	42,758	397,928
VARS	25,000	26,250	27,563	28,941	30,388	31,907	33,502	35,178	36,936	38,783	40,722	42,758	397,928
Recurring	25,000	26,250	27,563	28,941	30,388	31,907	33,502	35,178	36,936	38,783	40,722	42,758	397,928
Total Revenue	500,000	556,250	619,438	690,472	770,387	860,357	961,721	1,075,998	1,204,921	1,350,463	1,514,871	1,700,705	11,805,582
<b>COST OF GOODS SOLD</b>	50,000	55,000	1,675,688	66,550	73,205	2,321,216	80,526	97,436	3,242,640	107,179	117,897	129,687	11,805,582
			60,500									142,656	1,069,214
<b>GROSS MARGIN</b>	450,000	501,250	558,938	623,922	697,182	779,832	873,143	978,562	1,097,742	1,232,566	1,385,184	1,558,049	10,736,368
	90%	90%	90%	90%	90%	91%	91%	91%	91%	91%	91%	92%	91%
Marketing & Sales	148,560	168,185	222,304	184,407	197,999	256,996	232,733	244,161	272,054	271,608	288,048	321,632	2,808,688
Washington Office	22,500	22,500	22,500	22,500	22,500	22,500	22,450	22,450	22,450	22,450	22,450	22,450	269,700
Production Services	83,850	89,880	101,771	93,322	103,694	102,772	104,772	105,772	104,772	105,744	105,744	105,744	1,207,838
Operations	18,200	18,200	18,200	18,200	18,200	18,200	22,400	26,100	26,100	21,900	21,900	21,900	249,500
Development	128,263	129,360	140,824	141,158	140,718	175,679	175,679	176,679	175,679	177,401	177,401	177,401	1,916,245
G&A	90,208	91,731	106,564	92,975	100,062	103,656	103,822	105,822	109,822	139,122	104,001	104,989	1,252,776
Total Expenses	491,581	519,856	612,164	552,563	583,174	679,803	661,857	680,985	710,877	738,226	719,545	754,117	7,704,747
<b>Net Operating Income(Loss)</b>	(41,581)	(18,606)	(53,226)	71,359	114,008	100,028	211,285	297,577	386,864	494,340	665,638	803,932	3,031,620
													26%
Interest Income ( Expense)	(1,613)	(1,562)	(1,510)	(1,458)	(1,407)	(1,355)	(1,303)	(1,252)	(1,200)	(1,148)	(1,097)	(1,045)	(15,951)
Pretax Income(Loss)	(43,194)	(20,167)	(54,736)	69,901	112,601	98,673	209,982	296,325	385,664	493,191	664,541	802,887	3,015,670
other	282												282
Income Taxes	(19,005)	(8,874)	(24,084)	40,756	49,545	43,416	92,392	130,383	169,692	217,004	292,398	353,270	1,336,895
<b>NET INCOME(LOSS)</b>	(\$24,471)	(\$11,294)	(\$30,652)	\$29,144	\$63,057	\$55,257	\$117,590	\$165,942	\$215,972	\$276,187	\$372,143	\$449,617	\$1,678,493

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WAIS, Inc.  
FY1996 Balance Sheet Forecast

AR Days	45	45	45	45	45	45	45	45	45	45	45	45	45
	Jun-95	Jul-95	Aug-95	Sep-95	Oct-95	Nov-95	Dec-95	Jan-96	Feb-96	Mar-96	Apr-96	May-96	Jun-96
<b>Current Assets</b>													
Cash	\$304,898	\$3,698,226	\$3,396,291	\$3,293,002	\$3,229,283	\$3,203,215	\$3,081,543	\$2,977,782	\$3,124,767	\$3,343,855	\$3,014,987	\$3,459,361	\$3,365,343
Accounts Receivable	\$757,500	750,000	834,375	929,156	1,035,708	1,155,580	1,290,536	1,442,581	1,613,997	1,807,382	2,025,695	2,272,306	2,551,057
Deposits & Prepaids	\$26,080	26,080	26,080	26,080	26,080	26,080	26,080	26,080	26,080	26,080	26,080	26,080	26,080
<b>Total Current Assets</b>	<b>1,088,478</b>	<b>4,474,306</b>	<b>4,256,746</b>	<b>4,248,238</b>	<b>4,291,071</b>	<b>4,384,875</b>	<b>4,398,159</b>	<b>4,446,443</b>	<b>4,764,844</b>	<b>5,177,317</b>	<b>5,066,762</b>	<b>5,757,747</b>	<b>5,942,481</b>
<b>Fixed Assets</b>													
Furniture	88,867	88,867	98,867	98,867	98,867	123,867	133,867	133,867	133,867	133,867	143,867	143,867	143,867
Equipment & Software	235,757	235,757	297,757	297,757	297,757	297,757	359,757	359,757	359,757	359,757	421,757	421,757	421,757
Production Services	155,459	155,459	190,459	190,459	190,459	190,459	225,459	225,459	225,459	225,459	260,459	260,459	260,459
Accumulated Depreciation	(116,871)	(129,219)	(35,479)	(38,499)	(53,708)	(46,241)	(64,561)	(83,049)	(101,536)	(120,023)	(141,204)	(162,553)	(183,901)
<b>Net Fixed Assets</b>	<b>\$363,212</b>	<b>\$350,864</b>	<b>\$551,604</b>	<b>\$548,584</b>	<b>\$533,375</b>	<b>\$565,842</b>	<b>\$654,522</b>	<b>\$636,034</b>	<b>\$617,547</b>	<b>\$599,060</b>	<b>\$684,879</b>	<b>\$663,530</b>	<b>\$642,182</b>
<b>Other Assets</b>	<b>3,815</b>	<b>3,735</b>	<b>3,656</b>	<b>3,577</b>	<b>3,497</b>	<b>3,418</b>	<b>3,815</b>	<b>3,815</b>	<b>3,815</b>	<b>3,815</b>	<b>3,815</b>	<b>3,815</b>	<b>3,815</b>
<b>Total Assets</b>	<b>\$1,455,505</b>	<b>\$4,828,904</b>	<b>\$4,812,006</b>	<b>\$4,800,399</b>	<b>\$4,827,942</b>	<b>\$4,954,135</b>	<b>\$5,056,495</b>	<b>\$5,086,292</b>	<b>\$5,386,206</b>	<b>\$5,780,192</b>	<b>\$5,755,456</b>	<b>\$6,425,092</b>	<b>\$6,588,478</b>
<b>Current Liabilities</b>													
Accounts Payable	62,424	\$80,842	\$84,112	\$127,240	\$92,682	\$106,273	\$109,960	\$115,128	\$121,842	\$133,288	\$135,565	\$143,785	\$153,077
Accounts Receivable Line													
Note Payable - B Kahle													
Deferred Revenue													
Accrued Income Taxes	501,104		(8,874)	(32,957)		49,545	92,961		130,383	300,075		292,398	
A/R Line of Credit													
Current Portion of Leases	70,833	70,833	70,833	70,833	70,833	70,833	70,833	70,833	67,708	64,583	61,458	58,333	55,208
<b>Total Current Liabilities</b>	<b>634,361</b>	<b>151,676</b>	<b>146,071</b>	<b>165,116</b>	<b>163,515</b>	<b>226,651</b>	<b>273,754</b>	<b>185,961</b>	<b>319,933</b>	<b>497,947</b>	<b>197,023</b>	<b>494,517</b>	<b>208,285</b>
Equipment Leases	119,444	113,542	107,639	101,736	95,833	89,931	84,028	78,125	75,347	72,569	69,792	67,014	64,236
<b>Shareholders' Equity:</b>													
Paid in Capital	25,000	4,025,000	4,025,000	4,025,000	4,025,000	4,025,000	4,025,000	4,025,000	4,025,000	4,025,000	4,025,000	4,025,000	4,025,000
Current Year Income (Loss)	639,031	(24,471)	(35,764)	(66,416)	(37,272)	25,785	81,042	198,632	364,574	580,546	856,733	1,228,876	1,678,493
Retained Earnings (Deficit)	37,668	676,699	676,699	676,699	676,699	676,699	676,699	676,699	676,699	676,699	676,699	676,699	676,699
<b>Total Equity</b>	<b>701,699</b>	<b>4,677,229</b>	<b>4,665,935</b>	<b>4,635,283</b>	<b>4,664,427</b>	<b>4,727,484</b>	<b>4,782,741</b>	<b>4,900,331</b>	<b>5,066,273</b>	<b>5,282,245</b>	<b>5,558,432</b>	<b>5,930,575</b>	<b>6,380,192</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$1,455,505</b>	<b>\$4,828,904</b>	<b>\$4,812,006</b>	<b>\$4,800,399</b>	<b>\$4,827,942</b>	<b>\$4,954,135</b>	<b>\$5,056,495</b>	<b>\$5,086,292</b>	<b>\$5,386,206</b>	<b>\$5,780,192</b>	<b>\$5,755,456</b>	<b>\$6,425,092</b>	<b>\$6,588,478</b>

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**WAIS, Inc.****Income Statement for the Month of December 1994****1/6/95**

Month of December			FY 1995 Year to Date			
<u>Actual</u>	<u>Budget</u>	<u>Better (Worse)</u>		<u>Actual</u>	<u>Budget</u>	<u>Better (Worse)</u>
			<i>Revenue:</i>			
152,500	155,556	(3,056)	Products	1,092,378	938,890	153,488
81,354		81,354	Government Contract	238,886		238,886
53,850	20,000	33,850	Production Services	207,850	186,000	21,850
			International	100,000		100,000
287,704	175,556	112,148	Total Revenue	1,639,114	1,124,890	514,224
			<i>Cost of Sales</i>	41,850		41,850
287,704	175,556	112,148	Gross Margin	1,597,264	1,124,890	472,374
			<i>Expenses:</i>			
69,242	46,009	(23,233)	Marketing & Sales	183,308	210,298	26,990
13,032	5,800	(7,232)	Washington Office	43,951	34,800	(9,151)
52,375	28,447	(23,928)	Production Services	188,298	140,808	(47,490)
58,236	79,562	21,326	Development	194,120	275,803	81,683
43,088	49,494	6,406	G&A	192,044	266,231	74,187
235,973	209,312	(26,661)	Total Expenses	801,721	927,940	126,219
51,731	(33,756)	85,487	Net Operating Income (Loss)	795,543	196,951	598,593
381		381	Interest Income (Expense)	1,540		1,540
52,112	(33,756)	85,868	Pretax Income (Loss)	797,083	196,951	600,133
22,929	(13,502)	(36,431)	Income Taxes	360,997	157,562	(203,435)
29,183	(20,254)	49,437	NET INCOME (LOSS)	436,086	39,389	396,697

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**WAIS, Inc.**  
**December 1994 Balance Sheet**  
**1/6/95**

	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>
<i>Current Assets:</i>			
Cash	\$357,328	\$176,720	\$180,608
Accounts Receivable	439,172	146,296	292,876
Deposits & prepaids	26,080	15,000	11,080
Total Current Assets	822,580	338,016	484,564
<i>Fixed Assets:</i>			
Furniture	32,867	9,741	23,126
Equipment & Software	153,537	124,276	29,261
Production Services	11,794	26,301	(14,507)
Accumulated Depreciation	(51,236)	(50,040)	(1,197)
Net Fixed Assets	146,962	110,279	36,684
<i>Other Assets</i>	3,338	3,815	(477)
<i>Total Assets</i>	<u>\$972,880</u>	<u>\$452,110</u>	<u>\$520,771</u>
<i>Current Liabilities:</i>			
Accounts Payable	\$132,479	\$56,080	\$76,399
Accounts Receivable Line of Credit			-
Note Payable		48,711	(48,711)
Deferred Revenue		79,253	(79,253)
Accrued Income Taxes	341,647	78,780	262,867
Total Current Liabilities	474,126	262,824	211,302
<i>Shareholders' Equity:</i>			
Paid in Capital	25,000	25,000	-
Current Year Income (Loss)	436,086	118,170	317,916
Retained Earnings (Deficit)	37,668	46,116	(8,448)
Total Equity	498,754	189,286	309,468
<i>Total Liabilities &amp; Equity</i>	<u>\$972,880</u>	<u>\$452,110</u>	<u>\$520,770</u>

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WAIS, Inc Stock Summary  
Company Confidential and Proprietary  
1/27/95

	Totals	Currently vested	Additional Vesting			
			6/30/95	6/30/96	6/30/97	beyond
Stock	7,500,000	7,500,000				
Options Issued	1,789,500	636,446	447,375	488,136	217,543	-
Options Reserved	610,500	-	152,625	152,625	152,625	152,625
Totals	9,900,000		600,000	640,761	370,168	152,625

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